

## Message Text

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67

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-10 PA-04 PRS-01 SS-20 USIA-15 SAM-01 DRC-01 /167 W

----- 005108

R 301828Z JAN 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0063

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS BONN 01643

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE AND EXIM

E.O. 11652: N/A

TAGS: EFIN, GW

AXES CAPITAL CONTROLS

REF: BONN A-35 AND 802

1. TODAY'S CABINET MEETING FINALLY BROUGHT THE REPEATEDLY POSTPONED DECISIONS (SEE REFERENCES) TO FURTHER RELAX CAPITAL CONTROLS. ACCORDING TO A DPA REPORT SUBSTANTIALLY CONFIRMED BY THE FINANCE MINISTRY OVER THE PHONE, THE LICENSING REQUIREMENTS FOR THE TAKING UP OF CREDITS ABROAD, FOR SALES OF GERMAN STOCKS TO FOREIGNERS, AND FOR FOREIGN INVESTMENTS IN GERMAN ENTERPRISES HAVE BEEN DISCONTINUED EFFECTIVE JANUARY 31. THE REQUIREMENT FOR NON-INTEREST BEARING DEPOSITS UNDER THE BARDEPOT RULES HAS BEEN REDUCED FROM 50 PERCENT TO 20 PERCENT OF THE FOREIGN CREDIT INVOLVED; THE AMOUNT EXEMPT FROM THIS REQUIREMENT WAS DOUBLED AND NOW AMOUNTS TO DM 100,000. INTEREST PAYMENTS ON DEPOSITS OF FOREIGNERS WITH GERMAN BANKS REMAIN PROHIBITED.

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PURCHASES BY FOREIGNERS OF GERMAN BONDS DUE FOR

REDEMPTION WITHIN A PERIOD OF UP TO 4 YEARS, AS WELL  
AS PURCHASE OF BILLS OF EXCHANGE BY FOREIGNERS, REMAIN  
SUBJECT TO LICENSING.

2. IN A SUBSEQUENT PRESS CONFERENCE, GOVERNMENT SPOKES-  
MAN GRUENEWALD TOLD HIS AUDIENCE THAT THE MOVE HAD  
BEEN DISCUSSES WITH THE FRG'S PARTNERS IN THE EC,  
PARTICULARLY THE MEMBERS OF THE SNAKE, IMPLYING THAT THE  
LATTER ARE CONTEMPLATING SIMILAR STEPS.  
HILLENBRAND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SECURITIES, FOREIGN INVESTMENT, CAPITAL FLOWS, ECONOMIC CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BONN01643  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t1974017/aaaaafqt.tel  
**Line Count:** 71  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** BONN A-35 AND 802  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 APR 2002 by daviscw>; APPROVED <30 MAY 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** EFIN, GE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005